

Public Health & Human Services Committee Public Hearing – September 3, 2009
Re: Privatization and Relocation of Services Provided by Department of Developmental Services and Department of Mental Health and Addiction Services

Good afternoon Senator Doyle, Representative Walker, Senator Harris, Representative Ritter and members of the Committees. My name is Barry Simon and I am the Executive Director of Gilead Community Services. Gilead Community Services is a mental health provider funded by DMHAS and DCF that serves almost 600 individuals throughout Middlesex County.

The community provider system is a cost effective means of providing vital services that are an integral part of the core mission of government. I am here today on behalf of my clients, my incredible staff (part of which are 1199 union staff) and hundreds of thousands of individuals served by the community provider system to ask that you look to strengthening the community provider system as a way of addressing aspects of the growing fiscal crisis. We thank you for recognizing the value and potential of the efficient and effective system of community-based human service providers. I am not here to pit one part of the system against another as you are aware there is need for all parts to perform certain components, I am here to tell you that we provide excellent care. In fact I have been asked to attest to that by Dave and Marjorie Smith, state that their son, who has received both State and Privatized residential care “is receiving outstanding support from caring staff. As members of the Gilead Policy & Procedure committee, we have seen, first hand, privatization at its professional best. It is a great concept that works and works well!!” They have volunteered to be contacted if you wish.

Community providers deliver services to over 500,000 of the state’s most needy residents. Local agencies in all of your districts continue to witness under funding, yet everyday families and individuals across our state turn to their local community provider, at increasing rates, for the support they need to lead more productive, healthy and fulfilling lives. In these difficult economic times, demand for our supports and services have grown significantly, yet funding has not kept pace. The individuals we are serving are those who are getting hurt most in this economic downturn. If the state doesn’t look to better ways to fund the system, then our clients will be the ones who are harmed in the process by having their services reduced or cut completely. We support any legislation that improves our ability to provide vital supports to those in need. As you know, there was no COLA increase in FY09. The current budget has flat funding in FY10 and FY11. Three years of no increase for any state funded community provider contracts, coupled with decades of inadequate COLAs, simply does not address our ever increasing operating costs and has forced providers to reduce services. The true issue is with a long term solution for funding any services state or private.

As healthcare providers our costs continue to rise with inflation. Over the past 20 years the Medical CPI has increased 197% while the state has increased its payments 33% (avg. 1.1% per year). As a business this is unsustainable; our agency costs have increased dramatically as we maintain 14 buildings, honor an 1199 union contract, pay for fuel, malpractice, workers comp and Health insurance which have increased 42%, 18% and 23% respectively the past fiscal year.

Programs have closed in the last few years and will continue to do so – this is not a false alarm. As an agency:

- We need to manage with nearly 20 vacancies at any given time.
- We have reduced hours of operations in programs and have closed a program.
- Waiting lists in our group homes and supported apartment programs are growing.
- People are waiting longer for services or spend long periods of time in emergency rooms.

We have closed a program and made reductions in others due to the short sighted approach to state budgeting which ultimately will lead to dire consequences for the total community service system. We recognize and appreciate that the Governor and Legislature want to invest the limited dollars wisely. In order to get the best return on your investment, it is our belief that funds need to be appropriated to address the comprehensive needs of the system and consumers. Given adequate resources that truly fund our costs of services, we have the capacity and willingness to expand services in the private sector; which saves the State money. We are and will continue to be a cost-effective solution to addressing the growing needs of Connecticut's most vulnerable citizens. The 500,000 Connecticut residents that use our services need you to help fix this systemic problem before it becomes their healthcare crisis. I thank you for your time and would be happy to answer any questions.

Barry M. Simon, Executive Director/CEO

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"Improving Lives, Building Futures"

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